United Nations ECE/CES/GE.30/2014/5

Economic and Social Council

Distr.: General
6 January 2013

Original: English

Economic Commission for Europe

Conference of European Statisticians

Group of Experts on Gender Statistics

Work Session on Gender Statistics
Geneva, 19-21 March 2014
Item 3 of the provisional agenda
Experiences in collecting and using gender indicators for policymaking

Women's Economic Resilience Index

Note by the Central Bureau of Statistics, Israel[1]

Summary

Under the auspices of the 2013 Herzliya Conference in Israel, Women's Economic Resilience Index was developed to inform policy and strategic debates. It's aim is to delineate the components of the economic resilience of women in Israel, and how these change over time. Different components of the index reflect areas related to politics, education, work (employment and unemployment), equality in work and entrepreneurship.

This indicator exposes some major issues in the Israeli society like work discrimination by age and the women's glass ceiling. It also show the lag of Israel in respect of the OECD countries in most of the dimensions of the index.

[1] Prepared by Yafit Alfandari, Director of Finance and Consumption Sector at the Micro Economic Department and Coordinator of gender statistics.

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I. The creation and establishment of the Women's Economic Resilience Index

1. The Women's economic Resilience Index was developed and constructed under the auspices of and as preparation for the 2013 Herzliya Conference. The Herzliya Conference, which is one of the leading conferences in Israel, has as its purpose the discussion and debate of policy and strategic issues. The conference is organized by the Institute for Policy and Strategy at the Interdisciplinary Centre (IDC) Herzliya. The conference serves as a meeting place for high-level people from Israel and the world over in the fields of government, business, security, communications, and academia, to discuss pressing national, regional, and global issues. Working papers written in anticipation of and after the conference, as well as the summaries of the discussions and recommendations that are raised there, provide leaders and policymakers with reliable, up-to-date, and professional assessments as well as policy recommendations required in order to address geopolitical, economic, and social challenges. The reports by the conference work groups and the research papers that are produced in anticipation of the conference are based on innovative methodologies that present an exact, coherent, and broad portrait of the region and the world.

2. At the thirteenth Herzliya Conference, for the first time, there was an initiative by Prof. Sharon Rabin-Margalioth (Dean, Radzyner Law School, IDC Herzliya) to bring the topic of women's economic resilience to the agenda of the conference. Toward this end, an advisory committee composed of women from various disciplines in which gender is significant was established. After the committee met twice, it was decided to initiate the construction of an index to measure women's economic resilience and to present it at the conference. Because the idea was to focus on women's strengths, it was decided to construct an index that would point at women's economic and occupational resilience and would present the empowerment of women in the economy and the job market.

3. Within this framework, a small team was formed that was charged for constructing the index. The members of the team were: Prof. Rabin-Margalioth, Dr. Tali Regev, Labour Economist from the Economy School at IDC and Yafit Alfandari, Director of Finance and Consumption Sector at the Micro Economic Department and Coordinator of gender statistics at the Israeli Central Bureau of Statistics.

4. Ultimately, the team formulated a set of variables comprising the Women's Economic Resilience Index.

II. Goals of the Index

5. The Women's Economic Resilience Index has several major goals:

(a) To delineate the components of the economic resilience of women in Israel;

(b) To highlight strong and weak points in women's economic resilience and to indicate gender-related problems in Israeli society in economic areas;

(c) To identify ongoing change at women economic resilience by presenting multi-year spectrum;

(d) To attempt to discern the women's sources of strength and weakness, from an economic perspective.

III. Methodology of the Index

6. Prior to its construction, several major attributes were defined that would underlie the methodology used for the index:

- Permit international comparison – the index would be composed of international, stable, and reliable variables;
- Multi-year – the index would be able permit measurement and presentation over a number of years. One of the interest and the purpose was to present developments during the previous decade and the current decade;
- The indicators would all include comparisons of women relative to men;
- The indicators would deal with facts – objective rather than subjective measures.
- The index would measure the percentage of equality of economic resilience, with 100 per cent denoting full resilience equality between men and women, a ratio of less than 100 denoting higher resilience among men than among women, and a ratio of more than 100 denoting higher resilience among women than men.

Components of the Index:

- The index is composed of several dimensions that together provide a complete, broad portrait of the gendered job market in Israel: work variables, wage variables, education variables (human capital), empowerment variables, and business entrepreneurship variables
- Each element of the index has a different weight (based on the recommendations of the aforementioned advisory committee): work component – 35%; empowerment component – 15 per cent; entrepreneurship – 15 per cent; wage gaps – 20 per cent; and human capital – 15 per cent.
- The dimensions represent a sort of life path in terms of a woman's integration into the job market and the economic system: education → work → work conditions → advancement → entrepreneurship and empowerment.
- Within these dimensions, 10 major variables were chosen to evaluate the economic resilience of women, with each variable having equal weight within the component. The following is a list of the variables and the reasons they were chosen:

  (a) Labour force participation rate by gender – a basic economic variable of the job market, used in the work component of the economic resilience index. The rate of participation was chosen rather than the employment rate in order to identify failures and obstacles with a gender element such as women's choice to remain at home.

  (b) Labour force participation rate by gender for ages 54–65 – a variable in the work component that is intended to identify a double employment obstacles: gendered non-participation in the job market with characteristics of being older.

  (c) Married persons' labour force participation rate, by gender – a variable in the work component that is intended to identify an obstacle in women's integration in employment due to family conflicts.

  (d) Ratio between the genders of number of work hours – a variable in the work component that is intended to identify either a barrier to activity, or under-activity in the job market that stems from gender differences.

  (e) Percentage of unemployed by gender – like overall labour force participation in the job market, this is also a basic job market economic variable, found in the work component of the Economic Resilience Index.

  (f) Percentage of recipients of first degrees from universities and colleges, by gender – the variable chosen to represent human capital. Selection of this variable was slightly limited due to the term was set to international comparison.

(g) Gender pay gap (for full-time salaried workers, wage per hour) – a variable in the wage gap component. This is a basic gender gap variable. Hourly wage was chosen because it is a more exact variable than monthly or yearly wage.

(h) Percentage of senior managers in the job market – a variable in the empowerment component. This variable can indicate gender balance in economic decision-making in the Israeli economy and in general.

(i) Percentage of Parliament members by gender – another variable in the empowerment component. A central variable indicating gender balance in policy-making decisions in many areas such as welfare, employment, education, and economics.

(j) Percentage of self-employed persons who employ more than 3 workers, by gender – a variable found in the entrepreneurship component that indicates a country's economic environment in terms of encouraging entrepreneurship, innovation, and motivation for starting businesses.

IV. Data sources

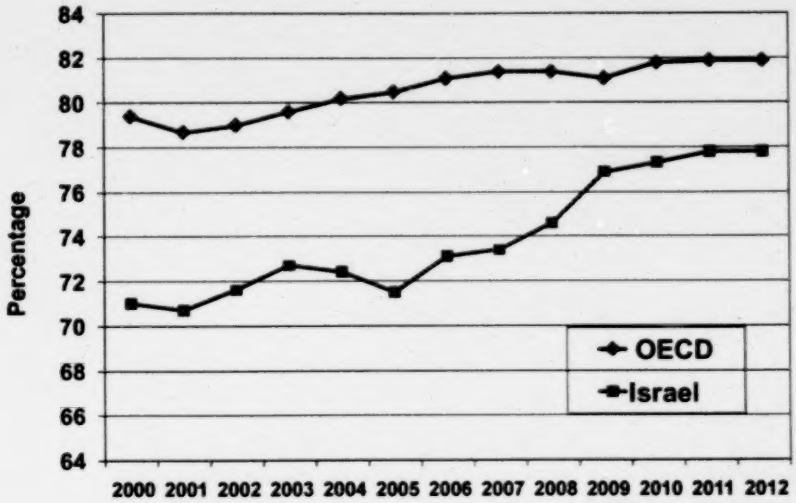
(1) The Labour Force Survey of the Israel Central Bureau of Statistics – The survey tracks ongoing developments in the labour force in Israel: its size and characteristics, employment mobility, the extent of unemployment, etc. The survey provides detailed data regarding characteristics of the civilian labour force by demographic and economic segments such as age, years of schooling, higher education, year of immigration to Israel, hours of work, industry of employment, occupation in which the person works, and the like. The survey is carried out regularly once per month and includes approximately 21,500 individuals aged 15 or over each month.

(2) Household Income and Expenditures Survey of the Israel Central Bureau of Statistics – The survey is intended to measure the standard of living of the country's population. The survey measures Israeli households' monthly expenditures on products and services (including ownership of durable goods and housing), as well as individual and household income from all sources. The survey is carried out regularly once per year, and includes approximately 10,000 households and 40,000 individuals in the sample each year.

(3) OECD and UNECE databases on the subject of gender statistics.

V. Main findings

Graph 1
Economic Resilience Index: Comparison of Years 1990–2012



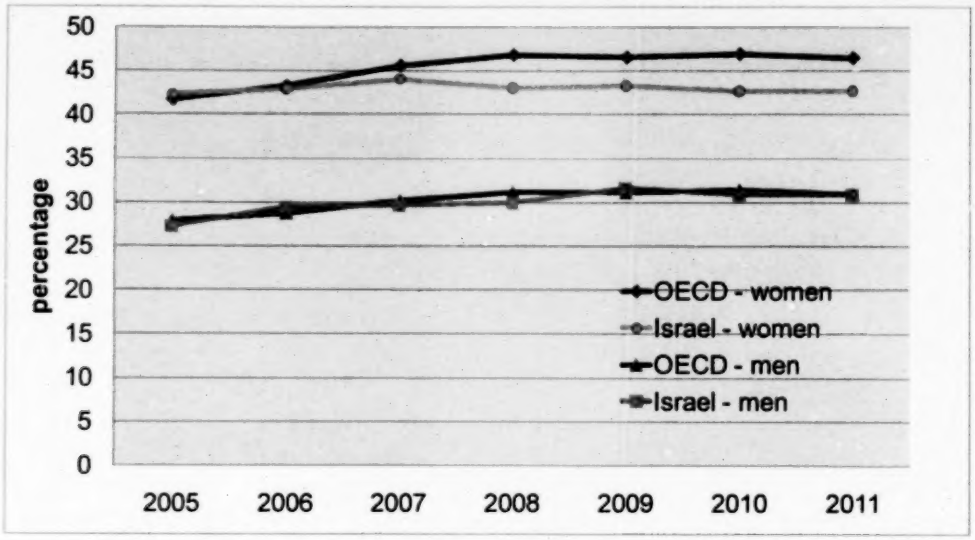
7. Graph 1 shows that that according to the criteria and variables determined for the Economic Resilience Index, Israel falls below the average of the OECD countries. However, over the years, the gap between the countries and Israel is decreasing. The following sections will present major failures and obstacles of the status of gender in Israel compared to the OECD countries by presenting notable findings from the variables that were compared.

A. Human capital component – a person's acquisition of education

8. Comparing Israel to the OECD countries reveals that the percentage of women who receive a first degree in Israel is larger than the percentage of men (see Graph 2). However, the percentage of women is lower than that in the OECD. It can also be seen that in Israel, there is a downward trend in the percentage of women receiving first degrees. It is important to note here that there was a limitation in comparing to the international data. In Israel, over the years, the percentage of women receiving higher (first and second) degrees is consistently much higher than the percentage of men.

9. From the analysis of human capital and the education variable appearing here, it can be concluded that as far as it is up to the women and under their control, women study more in order to position themselves well, and apparently also in order to find a good job in the job market at a good wage.

Graph 2
Percentage receiving first degrees, by gender – Israel compared to the OECD, 2005–2011



B. Employment component – percentage participation in the job market

10. An examination of employment rates of women in Israel compared to the OECD shows that Israel is very similar to the OECD average. Israel's employment rate of men is lower than the average in the OECD countries. This can be attributed to the demographic and religious differences between the countries. Israel includes an extremely religious group of people comprising 15 per cent of the population, who by definition do not believe in men participating in the labour force. In addition, Arab men's labour force participation rate is low against their will. However, the index and this analysis deal with women. It can be seen that from their labour force participation rate that women work and participate. A comparison that takes into account women's marital status shows that in Israel in particular, the participation of married women in the job market has increased over the years, and married women in Israel participate more than married women in the OECD countries.

11. An analysis of women's participation rates[2] in Israeli job market from the 1950s to the first decade of the 21st century shows that the women's participation rate increased by approximately 25 percentage points, from 26 per cent during the mid-1950s to more than 50 per cent at the end of the 20th century. An especially large jump occurred during the 1990s – an increase of 10 percentage points in participation rate in one decade, from 40 per cent to over 50 per cent. (graph 3)

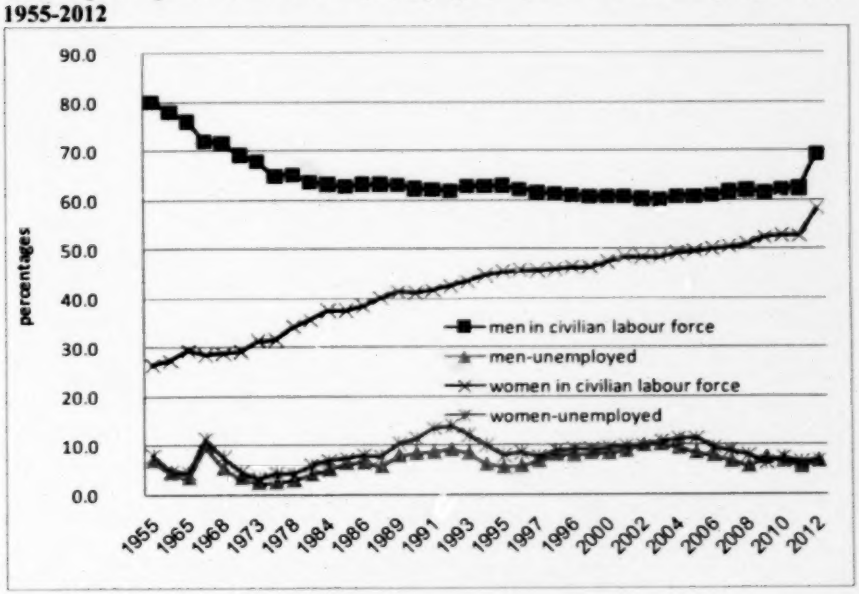
[2] Definitions of the Central Bureau of Statistics for the Labour Force Survey are as follows: Persons participating in the job market are those who are defined as being in the labour force. These are persons aged 15 and over who were "employed" or "unemployed" in the determinant week (the week ending on the Saturday preceding the interviewer's visit). **Employed**: Persons employed at any job for at least one hour for pay, profit, or other remuneration, during the determinant week; all workers in kibbutzim (whether in services or in other industries); family members who worked 15 hours or more per week without pay during the determinant week; persons staying in institutions who worked 15 hours a week or more; persons temporarily absent from work. **Unemployed**: Persons who did not work at all (even for a single hour per week), and actively sought work during the past four weeks by registering at a Labour Exchange of the Employment Service, by personal or written application to an employer, and would have been available to start work during the determinant week had suitable work been offered ("availability for work").

12. Another change over the years in Israel concerns the percentage of unemployed out of those participating in the labour force. Whereas up to the mid-1990s, women's unemployment rate was higher than that of men, starting from these years the gap narrowed, and men's unemployment rate was almost identical to that of women.

13. Another datum is that the number of work hours in Israel is among the highest compared to the average in the OECD countries, both for women and for men. The gap is even more evident for women.

Graph 3

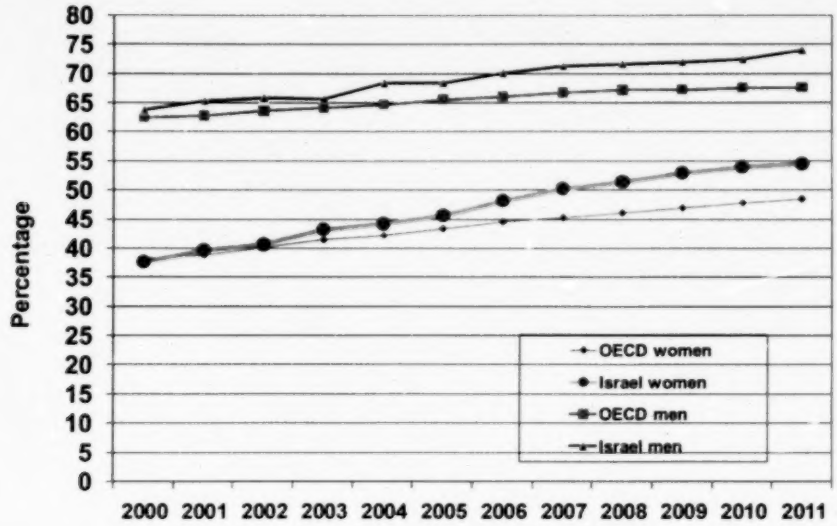
Gender participation rates and the unemployed in the Israeli civilian job market, 1955-2012



14. The main obstacle that can be identified is in the participation rates of older women. Here, the double damage to women can be pinpointed: based on both gender and age. At these ages in Israel, there exists a large gap in participation rates of women in the job market compared to men. This gap does not exist in the overall average participation rate.

Graph 4

Participation rate in Israel, women compared to men at ages 55–64

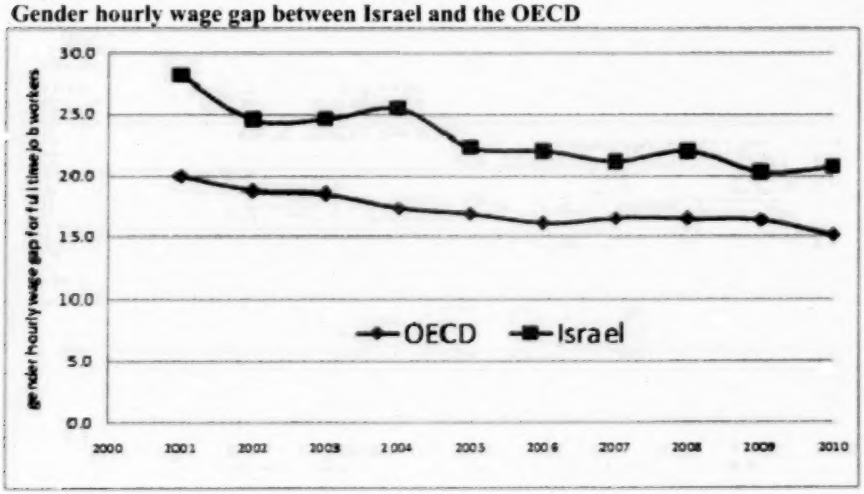


C. Wage Gap

15. It can be seen that in Israel, as in all the OECD countries, wage gaps between men and women exist. The gaps are even larger in Israel than in the OECD countries. However, it can be seen that in recent years, there is a slow trend of narrowing the wage gaps, but the stability of the gap has been maintained.

Graph 5

Gender hourly wage gap between Israel and the OECD



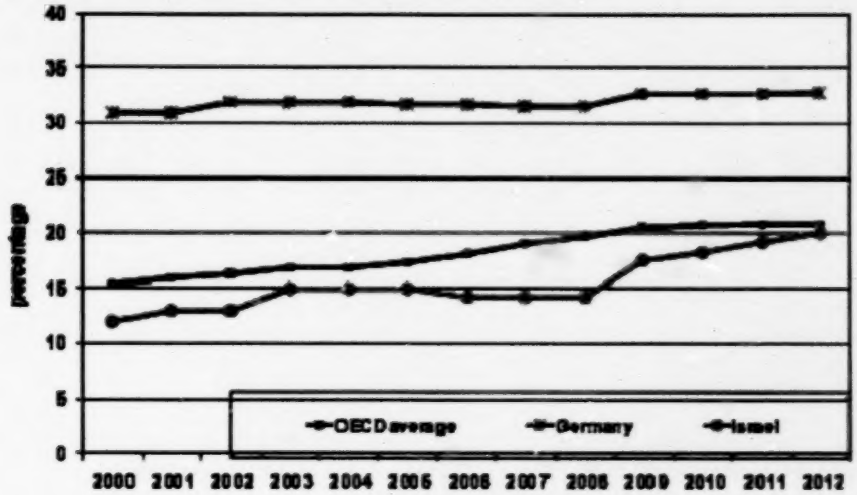
D. Political empowerment, economic empowerment, and entrepreneurship component

16. Regarding the integration of women in key political and economic positions, Israel lags far behind the OECD countries. In Israel, only 17 per cent of legislature members are women, compared to over 30 per cent in Germany. In Israel, 1 in 3 working women is a senior manager, whereas this figure is 1 in 2 in the OECD. In other words, in Israel,

integration or non-integration of women in key positions is even more evident. The explanation for the very extreme situation regarding the entry of women to key positions in Israel might be partly attributed to cliques that are formed in the army. The starting point of men in the business world is higher than women because of the connections and the cliques Israeli men established in their army service and accompany them over their life circles.

Graph 6

Ratio of women members of national parliament, 2000-2011

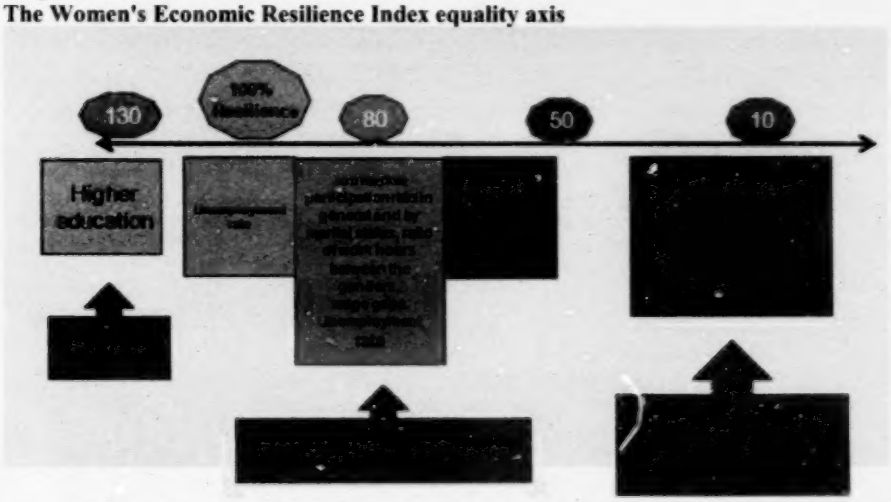


VI. Summary and conclusions

17. Graph 7 summarizes the Women's Economic Resilience Index and presents an equality axis based on the index variables.

Graph 7

The Women's Economic Resilience Index equality axis



18. It can be seen on the equality axis that when the component depends almost exclusively on women's choice, women do everything they can to attain equality and even superiority, such as in the area of education.

19. In the job market as well, it is apparent that women's status is relatively good. Although there is not 100 per cent equality according to the definition of the Economic Resilience Index, it is still apparent that as far as it is up to the women, and as far as it is possible, women are active participants in the job market. The job market includes other players—the employers—who enter the balance of the economic resilience equation. Here, it is apparent that when it comes to job conditions and the participation rate of older women, the Economic Resilience Index slightly decreases. That is, an element of discrimination exists that is manifested when it comes to wage conditions and employment of older workers. Despite all this and despite the discrimination against women on the part of the employers in the job market, the index for the work and wage components still hovers around 80 per cent.

20. The index plummets to approximately 20 per cent in the case of the more powerful political and economic positions for women. A sort of glass ceiling separates the norm (employment participation rates and activity in the job market in general), where women's status is relatively good and improving, from the extreme situation that exists at the higher positions, where entry and acceptance are difficult for women. Clearly, this phenomenon exists worldwide, but it is more severe in Israel.

21. The explanation for the very extreme situation regarding the entry of women to key positions in Israel might be partly attributed to cliques that are formed in the army. In Israel, where army service is mandatory (for both men and women), men naturally in the army promoted more than women and have to serve on a regular basis every year for few weeks until they are 40. After finishing mandatory army service, men are also integrated more into key positions and form cliques and circles of acquaintance with people similar to them. That is part of the reason to the inequity in high level positions in Israel.

22. Also this phenomenon is well spared in the world. Women stop at middle class management positions and their promotion to high positions is prevented. The academic literature used to blame the employers and the society by putting a glass ceiling to women and discriminate them. But, in recent years, some researchers and labour professionals put the blame on women.

23. Unfortunately the numbers don't lie - there are minority of women in high level positions which causes lack of women empowerment and lack of women influence on the society and the economy in a country.

VII. Further work

Without question, the Economic Resilience Index can be further developed and many more variables added. The developers intend to add several variables, involving the following aspects:

(a) The addition of subjective variables such as the fear of being fired from one's workplace;

(b) The inclusion of the fields of study technology and engineering;

(c) The addition of measures of entrepreneurship and advancement of senior managers in the public and private sectors;

(d) The inclusion of aspects of vertical and horizontal segregation in the job market;

(e) The inclusion of legal analysis perspective by adding roles and legislations concerning equity opportunities in the labour market.